

UNOFFICIAL VERSION

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THURSDAY, FEBRUARY 16, 2012

FIFTY-FOURTH LEGISLATIVE DAY

CALL TO ORDER

The Senate met at 9:00 a.m., and was called to order by Mr. Speaker Ramsey.

PRAYER

The proceedings were opened with prayer by Senator Bell.

PLEDGE OF ALLEGIANCE

Senator Bell led the Senate in the Pledge of Allegiance to the Flag.

ROLL CALL

The roll call was taken with the following results:

Present 33

Senators present were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--33.

STANDING COMMITTEE REPORTS

FINANCE, WAYS AND MEANS

MR. SPEAKER: Your Committee on Finance, Ways and Means begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 884, 2213, 2214, 2242, 2248 with amendment, 2490 and 3117.

MCNALLY, Chairperson
February 14, 2012

The Speaker announced that he had referred Senate Bills Nos. 884, 2213, 2214, 2242, 2248 with amendment, 2490 and 3117 to the Committee on Calendar.

STATE AND LOCAL GOVERNMENT

MR. SPEAKER: Your Committee on State and Local Government begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 2167 with amendment, 2259, 2260, 2652 with amendment, 2784 with amendment, 2843, 3165 and 3194; and Senate Joint Resolution No. 571; also, recommend that Senate Bill No. 2287 with amendment be referred to Committee on Judiciary; and Senate Bills Nos. 2768, 2845 and 3644 with amendment be referred to Committee on Finance, Ways and Means.

YAGER, Chairperson
February 14, 2012

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The Speaker announced that he had referred Senate Bills Nos. 2167 with amendment, 2259, 2260, 2652 with amendment, 2784 with amendment, 2843, 3165 and 3194; and Senate Joint Resolution No. 571 to the Committee on Calendar.

The Speaker announced that he had referred Senate Bill No. 2287 with amendment to the Committee on Judiciary.

The Speaker announced that he had referred Senate Bills Nos. 2768, 2845 and 3644 with amendment to the Committee on Finance, Ways and Means.

COMMERCE, LABOR AND AGRICULTURE

MR. SPEAKER: Your Committee on Commerce, Labor and Agriculture begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 1818 with amendment, 2202 with amendment, 2577, 2620, 2674 and 2854; also, recommend that Senate Bill No. 2742 with amendment be referred to Committee on Finance, Ways and Means.

JOHNSON, Chairperson
February 14, 2012

The Speaker announced that he had referred Senate Bills Nos. 1818 with amendment, 2202 with amendment, 2577, 2620, 2674 and 2854 to the Committee on Calendar.

The Speaker announced that he had referred Senate Bill No. 2742 with amendment to the Committee on Finance, Ways and Means.

JUDICIARY

MR. SPEAKER: Your Committee on Judiciary begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 2140 with amendment, 2166 with amendment, 2430, 2528, 2658 and 2776; also, recommend that Senate Bills Nos. 2251 with amendment, 2252 with amendment and 2456 with amendment be referred to Committee on Finance, Ways and Means.

BEAVERS, Chairperson
February 14, 2012

The Speaker announced that he had referred Senate Bills Nos. 2140 with amendment, 2166 with amendment, 2430, 2528, 2658 and 2776 to the Committee on Calendar.

The Speaker announced that he had referred Senate Bills Nos. 2251 with amendment, 2252 with amendment and 2456 with amendment to the Committee on Finance, Ways and Means.

EDUCATION

MR. SPEAKER: Your Committee on Education begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 2579 with amendment, 2648 and 3234.

GRESHAM, Chairperson
February 15, 2012

The Speaker announced that he had referred Senate Bills Nos. 2579 with amendment, 2648 and 3234 to the Committee on Calendar.

HEALTH AND WELFARE

MR. SPEAKER: Your Committee on Health and Welfare begs leave to report that we have carefully considered and recommend for passage: House Joint Resolution No. 600; also, recommend that Senate Bill No. 2766 be referred to Committee on Finance, Ways and Means.

CROWE, Chairperson
February 15, 2012

The Speaker announced that he had referred House Joint Resolution No. 600 to the Committee on Calendar.

The Speaker announced that he had referred Senate Bill No. 2766 to the Committee on Finance, Ways and Means.

TRANSPORTATION AND SAFETY

MR. SPEAKER: Your Committee on Transportation and Safety begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 2814 and 2736; also, recommend that Senate Bills Nos. 2707, 2785, 2813, 2838, 2841, 3006, 3062, 3094 and 3124 be referred to Committee on Finance, Ways and Means.

TRACY, Chairperson
February 15, 2012

The Speaker announced that he had referred Senate Bills Nos. 2814 and 2736 to the Committee on Calendar.

The Speaker announced that he had referred Senate Bills Nos. 2707, 2785, 2813, 2838, 2841, 3006, 3062, 3094 and 3124 to the Committee on Finance, Ways and Means.

ENERGY AND ENVIRONMENT

MR. SPEAKER: Your Committee on Energy and Environment begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 2403 with amendment and 3549.

SOUTHERLAND, Chairperson
February 15, 2012

The Speaker announced that he had referred Senate Bills Nos. 2403 with amendment and 3549 to the Committee on Calendar.

GOVERNMENT OPERATIONS

MR. SPEAKER: Your Committee on Government Operations begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 2315, 2325, 3173, 3212 with amendment, 3379 with amendment, 3380 with amendment, 3381 with amendment and 3391; also, recommend that Senate Bill No. 2226 with amendment be referred to Committee on Health and Welfare.

BELL, Chairperson
February 15, 2012

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The Speaker announced that he had referred Senate Bills Nos. 2315, 2325, 3173, 3212 with amendment, 3379 with amendment, 3380 with amendment, 3381 with amendment and 3391 to the Committee on Calendar.

The Speaker announced that he had referred Senate Bill No. 2226 with amendment to the Committee on Health and Welfare.

MOTION

Senator Norris moved, pursuant to Rule 32 and Article II, Section 18 of the Constitution of the State of Tennessee, **Senate Bill No. 3779** be passed on first consideration, which motion prevailed.

INTRODUCTION OF BILL

The Speaker announced that the following bill was filed for introduction and passed first consideration:

Senate Bill No. 3779 by Senator Southerland.

Greeneville -- As introduced, subject to local approval, revises the charter to provide for a city administrator and for the appointment of a city judge. Amends Chapter 563 of the Acts of 1903.

MOTION

Senator Norris moved, pursuant to Rule 32 and Article II, Section 18 of the Constitution of the State of Tennessee, **House Bills Nos. 2480, 2513, 2527, 2531, 2534, 2542, 2544, 2545 and 2604** be passed on first consideration, which motion prevailed.

HOUSE BILLS ON FIRST CONSIDERATION

The Speaker announced that the following House Bills were transmitted to the Senate and passed first consideration:

House Bill No. 2480 -- Knox County -- As introduced, repeals the office of legislative affairs.

House Bill No. 2513 -- Sunset Laws -- As introduced, extends the department of general services, June 30, 2017. Amends TCA Title 4, Chapter 29 and Title 4, Chapter 3.

House Bill No. 2527 -- Sunset Laws -- As introduced, extends the advisory council on workers' compensation, June 30, 2014. Amends TCA Title 4, Chapter 29 and Title 50, Chapter 6, Part 1.

House Bill No. 2531 -- Sunset Laws -- As introduced, extends the Tennessee heritage conservation trust fund, board of trustees, June 30, 2016. Amends TCA Title 4, Chapter 29 and Title 11, Chapter 7.

House Bill No. 2534 -- Sunset Laws -- As introduced, extends the Tennessee technology development corporation, June 30, 2017. Amends TCA Title 4, Chapter 14 and Title 4, Chapter 29.

House Bill No. 2542 -- Sunset Laws -- As introduced, extends the state capitol commission, June 30, 2013. Amends TCA Title 4, Chapter 29 and Title 4, Chapter 8.

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House Bill No. 2544 -- Sunset Laws -- As introduced, extends the Tennessee arts commission, June 30, 2013. Amends TCA Title 4, Chapter 20 and Title 4, Chapter 29.

House Bill No. 2545 -- Sunset Laws -- As introduced, extends the Tennessee council for career and technical education, June 30, 2017. Amends TCA Title 4, Chapter 29 and Title 49, Chapter 11.

House Bill No. 2604 -- Banks and Financial Institutions -- As introduced, alters and adds limits to acquisition and installment account handling charges for loans. Amends TCA Section 45-5-403(b).

MOTION

Senator Norris moved, pursuant to Rule 33 and Article II, Section 18 of the Constitution of the State of Tennessee, that **Senate Bills Nos. 3776 through 3778** be passed on second consideration and be referred to the appropriate committees or held on the Clerk's desk, which motion prevailed.

SENATE BILLS ON SECOND CONSIDERATION

The Speaker announced that the following bills passed second consideration and were referred to the appropriate committees or held on the Clerk's desk:

Senate Bill No. 3776 Local bill -- held on desk.

Senate Bill No. 3777 Local bill -- held on desk.

Senate Bill No. 3778 Local bill -- held on desk.

MOTION

Senator Norris moved, pursuant to Rule 21, **Senate Joint Resolutions Nos. 588, 589 and 592 through 600** be passed on first consideration and lie over, which motion prevailed.

INTRODUCTION OF RESOLUTIONS

The Speaker announced that the following resolutions were filed for introduction. Pursuant to Rule 21, the resolutions lie over.

Senate Joint Resolution No. 588 by Senator Ketron.
Memorials, Recognition -- Edward Carmon Kerley.

Senate Joint Resolution No. 589 by Senator Burks.
Memorials, Recognition -- 2011-2012 State FFA Officers.

Senate Joint Resolution No. 592 by Senator Summerville.
Memorials, Death -- Kenneth Field Gardner.

Senate Joint Resolution No. 593 by Senator Crowe.
Memorials, Retirement -- Ronnie L. White.

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Senate Joint Resolution No. 594 by Senator McNally.

Memorials, Personal Occasion -- James Edward "Ed" Westcott, 90th birthday.

Senate Joint Resolution No. 595 by Senator Southerland.

Memorials, Retirement -- Captain John Huffine.

Senate Joint Resolution No. 596 by Senator Southerland.

Memorials, Sports -- Greeneville High School girls cross country team, TSSAA Class A/AA State Championship Runners-Up.

Senate Joint Resolution No. 597 by Senator Southerland.

Memorials, Retirement -- Captain Terry L. Webb.

Senate Joint Resolution No. 598 by Senator Southerland.

Memorials, Sports -- Greeneville High School boys cross country team, TSSAA Class A/AA State Champions.

Senate Joint Resolution No. 599 by Senator Massey.

Memorials, Retirement -- Joan Cronan.

Senate Joint Resolution No. 600 by Senator Southerland.

Memorials, Personal Occasion -- James Willis Ailshie, 100th birthday.

MOTION

Senator Norris moved, pursuant to Rule 21, **House Joint Resolutions Nos. 522, 565, 566, 642, 646 through 648, 650, 651, 654 through 658 and 668**; and **Senate Joint Resolutions Nos. 585 and 587** lie over and be referred to the appropriate committees or held on the Clerk's desk, which motion prevailed.

RESOLUTIONS LYING OVER

The Speaker announced that the following resolutions passed second consideration and were referred to the appropriate committees or held on the desk, pursuant to Rule 21:

House Joint Resolution No. 522 -- Naming and Designating -- "John T. Cunningham Day", August 12, 2012.

The Speaker announced that he had referred House Joint Resolution No. 522 to the Committee on State and Local Government.

House Joint Resolution No. 565 -- Naming and Designating -- "Down Syndrome Awareness Day", March 21, 2012.

The Speaker announced that he had referred House Joint Resolution No. 565 to the Committee on Health and Welfare.

House Joint Resolution No. 566 -- General Assembly, Confirmation of Appointment -- Pamela B. Martin, Tennessee Ethics Commission.

The Speaker announced that he had referred House Joint Resolution No. 566 to the Committee on State and Local Government.

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House Joint Resolution No. 642 -- Memorials, Recognition -- Jackson County's 34th Annual Polk Sallet Festival, May 10-13, 2012.

The Speaker announced that he had referred House Joint Resolution No. 642 to the Committee on Calendar.

House Joint Resolution No. 646 -- Memorials, Recognition -- Lindsey Rochelle.

The Speaker announced that he had referred House Joint Resolution No. 646 to the Committee on Calendar.

House Joint Resolution No. 647 -- Memorials, Recognition -- Kevin Hensley.

The Speaker announced that he had referred House Joint Resolution No. 647 to the Committee on Calendar.

House Joint Resolution No. 648 -- Memorials, Recognition -- Shelby County Juvenile Court.

The Speaker announced that he had referred House Joint Resolution No. 648 to the Committee on Calendar.

House Joint Resolution No. 650 -- Memorials, Recognition -- Joe Glasscock.

The Speaker announced that he had referred House Joint Resolution No. 650 to the Committee on Calendar.

House Joint Resolution No. 651 -- Memorials, Personal Occasion -- Louise Robinson Bonds, 94th birthday.

The Speaker announced that he had referred House Joint Resolution No. 651 to the Committee on Calendar.

House Joint Resolution No. 654 -- Memorials, Retirement -- Alben "Al" Simmons.

The Speaker announced that he had referred House Joint Resolution No. 654 to the Committee on Calendar.

House Joint Resolution No. 655 -- Memorials, Recognition -- Mary Elaine Wilson, 2011 TTC Outstanding Student of the Year.

The Speaker announced that he had referred House Joint Resolution No. 655 to the Committee on Calendar.

House Joint Resolution No. 656 -- Memorials, Death -- William E. "Ted" Blevins, Sr.

The Speaker announced that he had referred House Joint Resolution No. 656 to the Committee on Calendar.

House Joint Resolution No. 657 -- Memorials, Professional Achievement -- Cadet Colonel Daniel T. Fry, Jr., General Carl A. Spaatz Award.

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The Speaker announced that he had referred House Joint Resolution No. 657 to the Committee on Calendar.

House Joint Resolution No. 658 -- Memorials, Professional Achievement -- Cadet Colonel Jeffrey Lewoczko, CAP General Carl A. Spaatz Award.

The Speaker announced that he had referred House Joint Resolution No. 658 to the Committee on Calendar.

House Joint Resolution No. 668 -- Naming and Designating -- "Tennessee Children's Hospital Appreciation Month", February 2012.

The Speaker announced that he had referred House Joint Resolution No. 668 to the Committee on Calendar.

Senate Joint Resolution No. 585 -- Memorials, Recognition -- Houston County Irish Celebration, 50th anniversary.

The Speaker announced that he had referred Senate Joint Resolution No. 585 to the Committee on Calendar.

Senate Joint Resolution No. 587 -- Memorials, Death -- Charles Evers.

The Speaker announced that he had referred Senate Joint Resolution No. 587 to the Committee on Calendar.

NOTICE

MESSAGE FROM THE HOUSE

February 13, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Bill No. 1680, substituted for House Bill on same subject, amended, and passed by the House.

JOE MCCORD,
Chief Clerk.

MOTION

Senator Norris moved that Rules 32, 33 and 37 be suspended for the introduction and immediate consideration of **Senate Joint Resolution No. 601**, out of order, which motion prevailed.

INTRODUCTION OF RESOLUTION

Senate Joint Resolution No. 601 by Senator Norris.
General Assembly, Recess & Reconvene -- Recesses 107th General Assembly from February 16, 2012, until February 23, 2012.

On motion of Senator Norris, the rules were suspended for the immediate consideration of the resolution.

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On motion, **Senate Joint Resolution No. 601** was adopted.

A motion to reconsider was tabled.

MOTION

Senator Massey moved that Rule 37 be suspended for the immediate consideration of **Senate Joint Resolution No. 599**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Joint Resolution No. 599 -- Memorials, Retirement -- Joan Cronan.

On motion of Senator Massey, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 599** was adopted.

A motion to reconsider was tabled.

CONSENT CALENDAR NO. 1

Senate Joint Resolution No. 580 -- Memorials, Professional Achievement -- John Black, 2011 General Aviation Airport Manager of the Year for the FAA Southern Region Airports Division.

Senate Joint Resolution No. 581 -- Memorials, Recognition -- NAMI Tennessee's Multicultural All in the Family Summit 2012.

Senate Joint Resolution No. 582 -- Memorials, Recognition -- Clay County 2011 Fair, Division A Most Improved 2011 Fair Season Award.

Senate Joint Resolution No. 583 -- Memorials, Retirement -- Ron Bennett.

Senate Resolution No. 77 -- Memorials, Sports -- Chuckey-Doak Middle School girls basketball team, Tri-County Conference Champions.

Senate Resolution No. 83 -- Memorials, Death -- Earnest Obie Hollingsworth.

House Joint Resolution No. 638 -- Memorials, Recognition -- WNOX Radio Station, 90th anniversary.

House Joint Resolution No. 639 -- Memorials, Retirement -- Donald Alexander.

House Joint Resolution No. 641 -- Memorials, Recognition -- Civil Air Patrol, 70th anniversary.

House Joint Resolution No. 644 -- Memorials, Heroism -- Representative Tony Shipley.

Senator Faulk moved that all Senate Joint Resolutions and Senate Resolutions be adopted; and all House Joint Resolutions be concurred in, which motion prevailed by the following vote:

Ayes 33
Noes 0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

CONSENT CALENDAR NO. 2

Senate Bill No. 884 -- Unemployment Compensation -- As introduced, authorizes spouses of military members who leave employment due to military reassignment to qualify for unemployment benefits; requires that state pay such benefits and does not count against employer's experience rating. Amends TCA Title 50, Chapter 7.

Senate Bill No. 2213 -- Taxes, Franchise -- As introduced, revises various provisions regarding the job tax credit given for new full-time employee jobs filled by a person with disabilities who is receiving state services directly related to such disabilities. Amends TCA Section 67-4-2109(f).

Senate Bill No. 2214 -- Banks and Financial Institutions -- As introduced, authorizes Commissioner of Financial Institutions to establish a fee by rule for conducting off-site investigation or examination of any mortgage lender, mortgage loan broker, mortgage loan servicer, or mortgage loan originator. Amends TCA Title 45, Chapter 13.

Senator Overbey declared Rule 13 on **Senate Bill No. 2214**.

Senate Bill No. 2242 -- Highways, Roads and Bridges -- As introduced, revises provisions governing the distribution of utility relocation plans to utility owners. Amends TCA Section 54-5-854.

Senate Bill No. 2798 -- Sunset Laws -- As introduced, repeals the cemetery advisory board. Amends TCA Title 4, Chapter 29 and Title 46, Chapter 1, Part 3.

Senator Ford declared Rule 13 on **Senate Bill No. 2798**.

Senator Faulk moved that all Senate Bills be passed on third and final consideration, which motion prevailed by the following vote:

Ayes 33
Noes 0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

CALENDAR

Senate Joint Resolution No. 222 -- Constitutional Amendments -- Proposes an amendment to Article XI, Section 5 of the Constitution of the State of Tennessee concerning charitable lotteries to include certain veterans organizations.

Senator Crowe moved that the Clerk read the resolution, which motion prevailed.

The Clerk read the resolution.

Thereupon, Mr. Speaker Ramsey declared pursuant to Article XI, Section 3, **Senate Joint Resolution No. 222** had been read.

Senate Bill No. 2248 -- Probation and Parole -- As introduced, transfers from board of probation and parole to Department of Correction certain functions relating to probation and parole services and the community correction grant program. Amends TCA Title 4; Title 38; Title 39; Title 40; Title 41 and Title 55.

Senator McNally moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting the word "board" in the amendatory language of subdivision (a)(2) of Section 36 of the printed bill, and by substituting instead the word "department".

AND FURTHER AMEND by deleting Sections 44, 45, and 46 from the printed bill, and by renumbering the remaining sections accordingly.

AND FURTHER AMEND by adding the following new, appropriately designated sections immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION ____ Tennessee Code Annotated, Section 40-35-503, is amended by deleting the language "board of paroles" wherever it appears and by substituting instead the language "board of parole".

SECTION ____ Tennessee Code Annotated, Section 40-35-504, is amended by deleting the section in its entirety and by substituting instead the following:

40-35-504.

(a) When the board of parole determines that an eligible inmate should be granted parole, the inmate may be placed on supervised parole under the prescribed conditions and in accordance with § 40-28-118. If it is determined that an eligible inmate should not be granted parole, the board shall thereupon inform the inmate, in writing, of the date the inmate will be reconsidered for parole.

(b) A defendant convicted of a felony who has been admitted to parole shall be supervised by the Department of Correction and shall make periodic reports to an assigned parole officer for not less than one (1) year. Thereafter, the defendant may be relieved from making any further periodic reports if the parole officer, with the consent of the director of probation and parole, determines that:

(1) The defendant has abided by the terms of parole in a satisfactory manner;

(2) There is a reasonable likelihood that the defendant will remain at liberty without violating the law; and

(3) Relief from further periodic reporting is not incompatible with the welfare of society.

(c) A defendant relieved from reporting shall still be considered to be within the jurisdiction of the board and the Department of Correction or the local jail or workhouse authorities and shall be subject to termination of parole status for the remainder of the sentence originally imposed. The board may reinstitute required periodic reporting at any time.

(d) A defendant who violates the terms of parole is subject to the terms of §§ 40-28-120 -- 40-28-123, which shall govern the termination of parole.

(e) If a defendant who has been placed on parole is convicted of a felony committed while on parole, the board, in its discretion, may revoke the defendant's parole and require the defendant to serve the remainder of the sentence originally imposed, or a portion of the original sentence as the board may determine, before the defendant begins serving the sentence for the crime committed while on parole.

(f) Upon revocation of supervised or unsupervised parole by the board under subsection (d) or (e), the time a defendant spent on parole shall not be considered as service of the sentence unless the board determines to grant all or part of the time to the defendant.

SECTION ____ Tennessee Code Annotated, Section 40-39-202, is amended by deleting subdivision (1) in its entirety and by renumbering the remaining subdivisions accordingly.

SECTION ____ Tennessee Code Annotated, Section 40-39-204(a), is amended by deleting the language "private contractors with TDOC and the board" and by substituting instead the language "and private contractors with TDOC".

SECTION ____ Tennessee Code Annotated, Section 40-39-205(c)(1)(A), is amended by deleting the language "the board" and by substituting instead the language "the Department of Correction".

Senator McNally moved to amend as follows:

AMENDMENT NO. 1 TO AMENDMENT NO. 1

AMEND by deleting the word "board" in the last sentence of amendatory § 40-35-504(c) of Senate Finance, Ways & Means Committee Amendment #1 (Drafting Code # 01297477) and by substituting instead the language "director of probation and parole".

On motion, Amendment No. 1 to Amendment No. 1 was adopted.

On motion, Amendment No. 1, as amended, was adopted.

Senator McNally moved that **Senate Bill No. 2248**, as amended, be moved three places down on the Calendar for today, which motion prevailed.

Senate Bill No. 2328 -- Sunset Laws -- As introduced, extends the state capitol commission, June 30, 2013. Amends TCA Title 4, Chapter 29 and Title 4, Chapter 8.

On motion, Senate Bill No. 2328 was made to conform with **House Bill No. 2542**.

On motion, House Bill No. 2542, on same subject, was substituted for Senate Bill No. 2328.

On motion of Senator Bell, Amendment No. 1 was withdrawn.

Senator Bell moved to amend as follows:

AMENDMENT NO. 2

AMEND by adding the following language immediately preceding the effective date section:

SECTION __. Tennessee Code Annotated, Section 4-8-301, is amended by deleting subdivision (a)(2) in its entirety and by substituting instead the following:

(2) The commission membership shall also include three (3) private citizens appointed by the governor to staggered terms of three (3) years.

(A) In appointing private citizens to serve on the State Capitol Commission, the governor shall strive to ensure that at least one (1) such citizen serving on the commission is sixty (60) years of age or older and that at least one (1) such citizen serving on the commission is a member of a racial minority.

(B) At least one (1) of the private citizens appointed by the governor shall be a black person.

(C)(i) In appointing private citizens to serve on the State Capitol Commission, the governor shall appoint one person from each of the three (3) grand divisions of the state.

(ii) The private citizen members serving on the commission on the effective date of this act shall continue to serve until they either vacate their positions or their terms of office expire, whichever occurs first, whereupon the governor shall appoint persons to fill the positions in accordance with subdivision (C)(i).

On motion, Amendment No. 2 was adopted.

Thereupon, **House Bill No. 2542**, as amended, passed its third and final consideration by the following vote:

Ayes 32
Noes 0

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Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--32.

A motion to reconsider was tabled.

Senate Bill No. 2490 -- Municipal Government -- As introduced, increases from \$300,000 to \$500,000 the maximum amount of revenue and debt a municipality may have in order to qualify to contract with a certified municipal finance officer (CMFO) or a qualified individual who is exempt from CMFO certification for financial oversight instead of employing a CMFO. Amends TCA Title 6, Chapter 56, Part 4.

Senate Bill No. 2490 passed its third and final consideration by the following vote:

Ayes	33
Noes	0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

Senator Gresham moved that **Senate Bill No. 2508** be moved five places down on the Calendar for today, which motion prevailed.

FURTHER ACTION ON SENATE BILL NO. 2248, AS AMENDED

Senator McNally moved to amend as follows:

AMENDMENT NO. 2

AMEND in Section 43, § 40-28-602, by deleting the language "(c) Nothing" and substituting instead that language "(b) Nothing" and by deleting the language "(d) The" and substituting instead the language "(c) The".

On motion, Amendment No. 2 was adopted.

Thereupon, **Senate Bill No. 2248**, as amended, passed its third and final consideration by the following vote:

Ayes	32
Noes	0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--32.

A motion to reconsider was tabled.

Senate Bill No. 2534 -- Banks and Financial Institutions -- As introduced, alters and adds limits to acquisition and installment account handling charges for loans. Amends TCA Section 45-5-403(b).

Senator Finney declared Rule 13 on **Senate Bill No. 2534**.

On motion, Senate Bill No. 2534 was made to conform with **House Bill No. 2604**.

On motion, House Bill No. 2604, on same subject, was substituted for Senate Bill No. 2534.

Thereupon, **House Bill No. 2604** passed its third and final consideration by the following vote:

Ayes	23
Noes	7

Senators voting aye were: Barnes, Beavers, Bell, Burks, Crowe, Faulk, Harper, Haynes, Johnson, Kelsey, Ketron, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--23.

Senators voting no were: Berke, Finney, Ford, Henry, Kyle, Marrero and Summerville--7.

A motion to reconsider was tabled.

Senate Bill No. 3117 -- Alcoholic Beverages -- As introduced, authorizes Norris Landing Marina in Claiborne County to be issued a license as a premier type tourist resort. Amends TCA Section 57-4-102.

Senator Yager moved to amend as follows:

AMENDMENT NO. 1

AMEND by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION ____ Tennessee Code Annotated, Section 57-4-102(26)(GGG)(v), is amended by deleting the language "serves meals at least four (4) days on a weekly basis," and by substituting instead the language "has food available,".

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Bill No. 3117**, as amended, passed its third and final consideration by the following vote:

Ayes	19
Noes	7
Present, not voting . . .	3

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Senators voting aye were: Barnes, Berke, Crowe, Ford, Harper, Haynes, Henry, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Tate, Watson, Yager and Mr. Speaker Ramsey--19.

Senators voting no were: Beavers, Bell, Burks, Campfield, Herron, Southerland and Summerville--7.

Senators present and not voting were: Overbey, Roberts and Tracy--3.

A motion to reconsider was tabled.

Senator Yager moved that **Senate Bill No. 1716** be placed on the Calendar for Thursday, February 23, 2012, which motion prevailed.

Senator Watson moved that **Senate Bill No. 2207**, as amended, be placed on the Calendar for Thursday, February 23, 2012, which motion prevailed.

Mr. Speaker Ramsey moved that **Senate Bill No. 2508** be moved five places down on the Calendar for today, which motion prevailed.

Senate Bill No. 2215 -- Short-Term Loans and Lenders -- As introduced, revises various provisions governing deferred presentment services, including provisions regarding qualifications for licensure; authorizes Commissioner of Financial Institutions to require persons subject to "Deferred Presentment Services Act" to be licensed through a multi-state automated licensing system. Amends TCA Title 45, Chapter 17, as amended.

Thereupon, **Senate Bill No. 2215**, as amended, passed its third and final consideration by the following vote:

Ayes	23
Noes	8
Present, not voting . . .	2

Senators voting aye were: Beavers, Bell, Burks, Campfield, Crowe, Faulk, Gresham, Harper, Johnson, Kelsey, Ketron, Massey, McNally, Norris, Overbey, Roberts, Southerland, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--23.

Senators voting no were: Barnes, Berke, Finney, Ford, Herron, Kyle, Marrero and Stewart--8.

Senators present and not voting were: Haynes and Henry--2.

A motion to reconsider was tabled.

Senator Ketron moved that **Senate Bill No. 2218**, as amended, be placed on the Calendar for Monday, February 27, 2012, which motion prevailed.

Senate Bill No. 2220 -- Public Contracts -- As introduced, increases from \$75,000 to \$150,000 the dollar amount of leases that require approval by the attorney general and state building commission. Amends TCA Section 12-2-115.

Senator Yager moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 12-2-115, is amended by deleting the language "seventy-five thousand dollars (\$75,000)" wherever it appears and by substituting the language "one hundred fifty thousand dollars (\$150,000)".

SECTION 2. Tennessee Code Annotated, Section 12-2-115(b), is further amended by adding the following as a new subdivision:

(1)(i) With respect to any lease of property that is not submitted to and approved by the State Building Commission, the office of the state architect shall post on its Web site at a minimum the following information, as applicable, regarding each such lease:

(A) Name(s) of lessor(s) and lessee(s);

(B) Lease description and purpose;

(C) Lease term;

(D) Rental rate, stated as total rent for the lease term, annual rent, and as a rent per square foot;

(E) Source(s) of funding;

(F) Procurement method used to obtain the lease; and

(G) Any other information as directed by the commission.

(ii) In addition to the above, the state architect shall post on the office's Web site any changes to information posted in accordance with this subdivision as soon as practicable after the change is authorized.

(iii) The state architect shall ensure that all information posted on the office's Web site pursuant to this subsection (b) is set forth in a manner and format consistent with the policies and procedures of the commission.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

Senator Ketron moved that **Senate Bill No. 2220** be placed at the heel of the Calendar for today, which motion prevailed.

MOTION

Senator Kyle moved that Rule 37 be suspended for the immediate consideration of **House Joint Resolution No. 682**, out of order, which motion prevailed.

RESOLUTION LYING OVER

House Joint Resolution No. 682 -- Memorials, Recognition -- Velma Lois Jones, Drum Majors for Service Award recipient.

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On motion of Senator Kyle, the rules were suspended for the immediate consideration of the resolution.

On motion, **House Joint Resolution No. 682** was concurred in.

A motion to reconsider was tabled.

MOTION

Senator Norris moved that Rule 37 be suspended for the immediate consideration of **House Joint Resolution No. 600**, out of order, which motion prevailed.

RESOLUTION LYING OVER

House Joint Resolution No. 600 -- Naming and Designating -- "St. Jude Children's Research Month," February, 2012.

On motion of Senator Norris, the rules were suspended for the immediate consideration of the resolution.

On motion, **House Joint Resolution No. 600** was concurred in.

A motion to reconsider was tabled.

CALENDAR

Senate Bill No. 2561 -- Unemployment Compensation -- As introduced, conforms language under the employment security law concerning amount of retainage by a contractor entering into a contract with the state or local governments to conform to 5 percent as authorized generally for contractors. Amends TCA Title 50, Chapter 7, Part 4, as amended.

Thereupon, **Senate Bill No. 2561**, as amended, passed its third and final consideration by the following vote:

Ayes	31
Noes	1

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--31.

Senator voting no was: Marrero--1.

A motion to reconsider was tabled.

Senate Bill No. 2647 -- Coon Dog Laws -- As introduced, adds Morgan County to group of counties where the training season for coon dogs is at least six months, instead of having a training season from July 1 to the first day of the open season for hunting coons. Amends TCA Title 70, Chapter 4, Part 1.

Senate Bill No. 2647 passed its third and final consideration by the following vote:

Ayes 32
Noes 0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--32.

A motion to reconsider was tabled.

Senate Bill No. 2829 -- Banks and Financial Institutions -- As introduced, expands the definition of a domestic holding company, for purposes of organizing, owning or controlling as a credit card state bank, from a company meeting certain requirements to a company under common control with another company that meets said requirements; extends the effective date of such expanded definition from July 1, 2012, to July 1, 2014. Amends TCA Title 45, Chapter 2, Part 19.

Senator Finney declared Rule 13 on **Senate Bill No. 2829**.

Senator Johnson moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 45-2-1901(3), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(3)(A) "Domestic holding company" means a company that either:

(i) Controls a domestic or foreign lender and has its principal place of business in this state; or

(ii) Is licensed pursuant to Chapter 7 of this title and, as of January 1, 2007, has a net worth of not less than twenty-five million dollars (\$25,000,000) and has had its principal place of business in this state for at least five (5) consecutive years.

(B) "Domestic holding company" also means a company that is under common control with a company described in (3)(A)(ii). For purposes of this subdivision (3)(B), "under common control" means no less than fifty percent (50%) ownership.

(C) Effective July 1, 2014, subdivision (3)(A)(ii) and subdivision (3)(B) are hereby deleted; however, any company that organized pursuant to subdivision (3)(A)(ii), or subdivision (3)(B), and this part prior to July 1, 2014, and that continues to own or control a credit card state bank after July 1, 2014, shall retain the authority to own or control a credit card state bank under the terms and conditions provided in this part;

SECTION 2. Tennessee Code Annotated, Section 45-2-1902(a)(2), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(2) Effective July 1, 2014, the language ", including a domestic holding company", is hereby deleted; however, any company that organized pursuant to such language, § 45-2-1901(3)(A)(ii) or § 45-2-1901(3)(B), and this part prior to July 1, 2014, and that continues to own or control a credit card state bank after July 1, 2014, shall retain the authority to own or control a credit card state bank under the terms and conditions provided in this part.

SECTION 3. Tennessee Code Annotated, Section 45-2-1902(d)(1), is amended by deleting subdivision (B) in its entirety and by substituting instead the following:

(B) Effective July 1, 2014, the language "or debit, including prepaid debit", is hereby deleted; however, any company that organized pursuant to such language, § 45-2-1901(3)(A)(ii) or § 45-2-1901(3)(B), and this part prior to July 1, 2014, and that continues to own or control a credit card state bank after July 1, 2014, shall retain the authority to own or control a credit card state bank under the terms and conditions provided in this part.

SECTION 4. This act shall take effect June 30, 2012, the public welfare requiring it.

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Bill No. 2829**, as amended, passed its third and final consideration by the following vote:

Ayes	28
Noes	3

Senators voting aye were: Barnes, Beavers, Bell, Burks, Campfield, Crowe, Faulk, Ford, Gresham, Harper, Haynes, Henry, Johnson, Kelsey, Ketron, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey --28.

Senators voting no were: Berke, Kyle and Marrero--3.

A motion to reconsider was tabled.

Mr. Speaker Ramsey moved that **Senate Bill No. 2508** be placed at the heel of the Calendar for today, which motion prevailed.

FURTHER ACTION ON SENATE BILL NO. 2220

Senator Ketron moved that **Senate Bill No. 2220** be rereferred to the Committee on State and Local Government, which motion prevailed.

MOTION

Senator Ketron moved that Rule 83(8) be suspended for the purpose of placing **Senate Bill No. 2220** first on the calendar for the Committee on State and Local Government for Tuesday, February 21, 2012, which motion prevailed.

MESSAGE CALENDAR

SENATE BILL ON HOUSE AMENDMENT

Senate Bill No. 465 -- Insurance Companies, Agents, Brokers, Policies -- As introduced, broadens the definition of NAIC to include any successor organization in the context of insurance producer licensing. Amends TCA Title 56.

Senator Ford declared Rule 13 on **Senate Bill No. 465**.

Senator Finney declared Rule 13 on **Senate Bill No. 465**.

Senator Tracy declared Rule 13 on **Senate Bill No. 465**.

HOUSE AMENDMENT NO. 1

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 56-9-103, is amended by adding the following new subdivisions and by redesignating the current subdivisions accordingly:

(15) "Netting agreement" means:

(A) A contract or agreement, including terms and conditions incorporated by reference in it, including a master agreement, which master agreement, together with all schedules, confirmations, definitions, and addenda to it and transactions under any of them, shall be treated as one netting agreement, that documents one or more transactions between the parties to the agreement for or involving one or more qualified financial contracts and that provides for the netting, liquidation, setoff, termination, acceleration, or close-out, under or in connection with one or more qualified financial contracts or present or future payment or delivery obligations or payment or delivery entitlements under one or more qualified financial contracts, including liquidation or close-out values relating to those obligations or entitlements, among the parties to the netting agreement;

(B) Any master agreement or bridge agreement for one or more master agreements described in subdivision (15)(A); or

(C) Any security agreement or arrangement or other credit enhancement or guarantee or reimbursement obligation related to any contract or agreement described in subdivision (15)(A) or (15)(B); provided, that any contract or agreement described in subdivision (15)(A) or (15)(B) relating to agreements or transactions that are not qualified financial contracts shall be deemed to be a netting agreement only with respect to those agreements or transactions that are qualified financial contracts;

(17)(A) "Qualified financial contract" means any commodity contract, forward contract, repurchase agreement, securities contract, swap agreement, and any similar agreement that the commissioner determines to be a qualified financial contract for the purposes of this chapter; provided, that the insurer entered into such contract or agreement in accordance with:

(i) Section 56-3-303(a)(21); and

(ii) The insurer's derivative instruments use plan that has been approved by the commissioner pursuant to § 56-3-303(a)(21);

(B) As used in subdivision (17)(A), "commodity contract" means:

(i) A contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a board of trade or contract market under the Commodity Exchange Act, 7 U.S.C. § 1 et seq., or a board of trade outside the United States;

(ii) An agreement that is subject to regulation under Section 23 of the Commodity Exchange Act, 7 U.S.C. § 23, as amended from time to time, and that is commonly known to the commodities trade as a margin account, margin contract, leverage account, or leverage contract;

(iii) An agreement or transaction that is subject to regulation under Section 6c(b) of the Commodity Exchange Act, 7 U.S.C. § 6c(b), as amended from time to time, and that is commonly known to the commodities trade as a commodity option;

(iv) Any combination of the agreements or transactions referred to in this subdivision (17)(B); or

(v) Any option to enter into an agreement or transaction referred to in this subdivision (17)(B);

(C) As used in subdivision (17)(A), "forward contract," "repurchase agreement," "securities contract," and "swap agreement" have the meanings set forth in the Federal Deposit Insurance Act, 12 U.S.C. § 1821(e)(8)(D), as amended from time to time.

SECTION 2. Tennessee Code Annotated, Title 56, Chapter 9, Part 3, is amended by adding the following language as a new, appropriately designated section:

56-9-3__.

(a)(1) Notwithstanding any other provision of this chapter, including any other provision of this chapter permitting the modification of contracts, or any other state law to the contrary, no person shall be stayed or prohibited from exercising:

(A) A contractual right to cause the termination, liquidation, acceleration, or close-out of obligations under or in connection with any netting agreement or qualified financial contract with an insurer because of:

(i) The insolvency, financial condition, or default of the insurer at any time, provided that the right is enforceable under another provision of law other than this chapter; or

(ii) The commencement of a formal delinquency proceeding under this chapter;

(B) Any right under a pledge, security, collateral, reimbursement or guarantee agreement or arrangement or any other similar security arrangement, or arrangement or other credit enhancement relating to one or more netting agreements or qualified financial contracts; or

(C) Subject to § 56-9-319, any right to set off or net out any termination value, payment amount, or other transfer obligation arising under or in connection with one or more qualified financial contracts where the counterparty or its guarantor is organized under the laws of the United States or a state or a foreign jurisdiction approved by the Securities Valuation Office of the National Association of Insurance Commissioners as eligible for netting.

(2) Notwithstanding any other provision of this chapter, including any other provision of this chapter permitting the modification of contracts, or any other state law to the contrary, if a counterparty to a master netting agreement or a qualified financial contract with an insurer subject to a proceeding under this chapter terminates, liquidates, closes out, or accelerates the agreement or contract, damages shall be measured as of the date or dates of termination, liquidation, close-out, or acceleration; the amount of a claim for damages shall be actual direct compensatory damages calculated in accordance with subsection (f) of this section.

(b) Upon termination of a netting agreement or qualified financial contract, the net or settlement amount, if any, owed by a nondefaulting party to an insurer against which an application or petition has been filed under this chapter shall be transferred to, or on the order of, the receiver for the insurer, even if the insurer is the defaulting party, notwithstanding any walkaway clause in the netting agreement or qualified financial contract. For purposes of this subsection, the term "walkaway clause" means a provision in a netting agreement or a qualified financial contract that, after calculation of a value of a party's position or an amount due to or from one of the parties in accordance with its terms upon termination, liquidation, or acceleration of the netting agreement or qualified financial contract, either does not create a payment obligation of a party or extinguishes a payment obligation of a party in whole or in part solely because of the party's status as a nondefaulting party. Any limited two-way payment or first method provision in a netting agreement or qualified financial contract with an insurer that has defaulted shall be deemed to be a full two-way payment or second method provision as against the defaulting insurer. Any such property or amount shall, except to the extent it is subject to one or more secondary liens or encumbrances, or rights of netting or setoff, be a general asset of the insurer.

(c) In making any transfer of a netting agreement or qualified financial contract of an insurer subject to a proceeding under this chapter, the receiver shall either:

(1) Transfer to one party, other than an insurer subject to a proceeding under this chapter, all netting agreements and qualified financial contracts between a counterparty or any affiliate of the counterparty and the insurer that is the subject of the proceeding, including:

(A) All rights and obligations of each party under each netting agreement and qualified financial contract; and

(B) All property, including any guarantees or other credit enhancement, securing any claims of each party under each netting agreement and qualified financial contract; or

(2) Transfer none of the netting agreements, qualified financial contracts, rights, obligations, or property referred to in subdivision (c)(1), with respect to the counterparty and any affiliate of the counterparty.

(d) If a receiver for an insurer makes a transfer of one or more netting agreements or qualified financial contracts, then the receiver shall use its best efforts to notify any person who is party to the netting agreements or qualified financial contracts of the transfer by twelve o'clock (12:00) noon, the receiver's local time, on the business day following the transfer. For purposes of this subsection (d), "business day" means a day other than a Saturday, Sunday, or any day on which either the New York Stock Exchange or the Federal Reserve Bank of New York is closed.

(e) Notwithstanding any other provision of this chapter, a receiver may not avoid a transfer of money or other property arising under or in connection with a netting agreement or qualified financial contract, or any pledge, security, collateral, or guarantee agreement or any other similar security arrangement or credit support document relating to a netting agreement or qualified financial contract, that is made before the commencement of a formal delinquency proceeding under this chapter. However, a transfer may be avoided under § 56-9-315 if the transfer was made with actual intent to hinder, delay, or defraud the insurer, a receiver appointed for the insurer, or existing or future creditors.

(f)(1) In exercising the receiver's rights of disaffirmance or repudiation with respect to any netting agreement or qualified financial contract to which an insurer is a party, the receiver for the insurer shall either:

(A) Disaffirm or repudiate all netting agreements and qualified financial contracts between a counterparty or any affiliate of the counterparty and the insurer that is the subject of the proceeding; or

(B) Disaffirm or repudiate none of the netting agreements and qualified financial contracts referred to in subdivision (f)(1)(A), with respect to the person or any affiliate of the person.

(2) Notwithstanding any other provision of this chapter, any claim of a counterparty against the estate arising from the receiver's disaffirmance or repudiation of a netting agreement or qualified financial contract that has not been previously affirmed in the liquidation or immediately preceding conservation or rehabilitation case shall be determined and shall be allowed or disallowed as if the claim had arisen before the date of the filing of the petition for liquidation or, if a conservation or rehabilitation proceeding is converted to a liquidation proceeding, as if the claim had arisen before the date of the filing of the petition for conservation or rehabilitation. The amount of the claim shall be the actual direct compensatory damages determined as of the date of the disaffirmance or repudiation of the netting agreement or qualified financial contract. The term "actual direct compensatory damages" does not include punitive or exemplary damages, damages for lost profit or lost opportunity, or damages for pain and suffering, but does include normal and reasonable costs of cover or other reasonable measures of damages utilized in the derivatives, securities, or other market for the contract and agreement claims.

(g) As used in this section, "contractual right" includes any right set forth in a rule or bylaw of a derivatives clearing organization as defined in the Commodity Exchange Act, 7 U.S.C. § 1a, as amended from time to time, a multilateral clearing organization as defined in the Federal Deposit Insurance Corporation Improvement Act of 1991, 12 U.S.C. § 4421, as amended from time to time, a national securities exchange, a national securities association, a securities clearing agency, a contract market designated under the Commodity Exchange Act, 7 U.S.C. § 7b-1, as amended from time to time, a derivatives transaction execution facility registered under the Commodity Exchange Act, 7 U.S.C. § 7a, as amended from time to time, or a board of trade as defined in the Commodity Exchange Act, 7 U.S.C. § 1a, as amended from time to time, or in a resolution of the governing board thereof and any right, whether or not evidenced in writing, arising under statutory or common law, or under law merchant, or by reason of normal business practice.

(h) This section shall not apply to persons who are affiliates of the insurer that is the subject of the proceeding.

(i) All rights of counterparties under this chapter shall apply to netting agreements and qualified financial contracts entered into on behalf of the general account or separate accounts if the assets of each separate account are available only to counterparties to netting agreements and qualified financial contracts entered into on behalf of such separate account.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

Senator Southerland moved that the Senate concur in House Amendment No. 1 to **Senate Bill No. 465**, which motion prevailed by the following vote:

Ayes	31
Noes	0

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Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Ford, Gresham, Harper, Haynes, Henry, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--31.

A motion to reconsider was tabled.

RECALL OF BILL

On motion of Senator Yager, **Senate Bill No. 1228** was recalled from the Committee on State and Local Government.

WITHDRAWAL OF BILL

On motion of Senator Yager, Senate Bill No. 1228 was withdrawn from the Senate.

RECALL OF BILL

On motion of Senator Kyle, **Senate Joint Resolution No. 586** was recalled from the Clerk's desk.

WITHDRAWAL OF BILL

On motion of Senator Kyle, Senate Joint Resolution No. 586 was withdrawn from the Senate.

RECALL OF BILL

On motion of Senator Tracy, **Senate Bill No. 2614** was recalled from the Committee on Transportation and Safety.

WITHDRAWAL OF BILL

On motion of Senator Tracy, Senate Bill No. 2614 was withdrawn from the Senate.

RECALL OF BILL

On motion of Senator Tracy, **Senate Bill No. 2801** was recalled from the Committee on State and Local Government.

WITHDRAWAL OF BILL

On motion of Senator Tracy, Senate Bill No. 2801 was withdrawn from the Senate.

RECALL OF BILL

On motion of Mr. Speaker Ramsey, **Senate Bill No. 2814** was recalled from the Committee on Calendar.

REFERRAL OF BILL

Mr. Speaker Ramsey moved that Senate Bill No. 2814 be referred to the Committee on Finance, Ways and Means, which motion prevailed.

RECALL OF BILL

On motion of Mr. Speaker Ramsey, **Senate Bill No. 2841** was recalled from the Committee on Finance, Ways and Means.

REFERRAL OF BILL

Mr. Speaker Ramsey moved that Senate Bill No. 2841 be referred to the Committee on Calendar, which motion prevailed.

MOTION

On motion of Senator Stewart, his name was added as sponsor of **Senate Bills Nos. 440 and 1699**.

On motion of Senators Berke, Burks, Ford, Haynes, Harper, Herron, Marrero, Overbey and Stewart, their names were added as sponsors of **Senate Bill No. 884**.

On motion of Senator Marrero, her name was removed as sponsor of **Senate Bill No. 2211**.

On motion of Senator Overbey, his name was added as sponsor of **Senate Bill No. 2213**.

On motion of Senator Kelsey, his name was added as sponsor of **Senate Bill No. 2248**.

On motion of Senator Harper, her name was added as sponsor of **Senate Bills Nos. 2368, 2369, 2370 and 2570**.

On motion of Senators Harper and Summerville, their names were added as sponsors of **Senate Bill No. 2371**.

On motion of Senator Herron, his name was added as sponsor of **Senate Bill No. 2561**.

On motion of Senator Barnes, his name was added as sponsor of **Senate Bill No. 2647; and House Joint Resolution No. 522**.

On motion of Senator Henry, his name was added as sponsor of **Senate Bill No. 2813**.

On motion of Senator Gresham, her name was added as sponsor of **Senate Bill No. 3098**.

On motion of Senators Faulk, Gresham and Overbey, their names were added as sponsors of **Senate Joint Resolution No. 222**.

On motion of Senators Gresham and Stewart, their names were added as sponsors of **Senate Joint Resolution No. 580**.

On motion of Senators Herron, Marrero, Tracy and Yager, their names were added as sponsors of **Senate Joint Resolution No. 581**.

On motion of Senator Massey, her name was added as sponsor of **Senate Joint Resolution No. 583**.

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On motion of Senators Haynes, Herron, Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Henry, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey, their names were added as sponsors of **Senate Joint Resolution No. 599**.

On motion of Senator Crowe, his name was added as sponsor of **Senate Resolution No. 77**.

On motion of Senators Ford, Massey and Overbey, their names were added as sponsors of **House Joint Resolution No. 638**.

On motion of Senators Berke, Crowe, Ford, Gresham, Overbey and Stewart, their names were added as sponsors of **House Joint Resolution No. 641**.

On motion of Senators Ford and Gresham, their names were added as sponsors of **House Joint Resolution No. 644**.

On motion of Senators Kyle, Ford, Kelsey, Marrero, Norris and Tate, their names were added as sponsors of **House Joint Resolution No. 682**.

On motion, all Senators' names were added as sponsors of **House Joint Resolution No. 600**.

ENGROSSED BILLS

February 16, 2012

MR. SPEAKER: Your Deputy Chief Clerk begs leave to report that we have carefully examined Senate Bills Nos. 884, 2213, 2214, 2215, 2242, 2248, 2490, 2561, 2647, 2798, 2829 and 3117; and Senate Joint Resolutions Nos. 580, 581, 582, 583 and 599; and find same correctly engrossed and ready for transmission to the House.

ALAN WHITTINGTON,
Deputy Chief Clerk.

MESSAGE FROM THE HOUSE

February 16, 2012

MR. SPEAKER: I am directed to transmit to the Senate, House Bills Nos. 2161, 2215, 2281, 2326, 2370, 2371, 2405, 2489, 2491 and 2665; passed by the House.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE

February 16, 2012

MR. SPEAKER: I am directed to transmit to the Senate, House Bill No. 2638, passed by the House.

JOE MCCORD,
Chief Clerk.

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MESSAGE FROM THE HOUSE

February 16, 2012

MR. SPEAKER: I am directed to transmit to the Senate, House Joint Resolutions Nos. 659, 661, 663, 665 and 666; adopted, for the Senate's action.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE

February 16, 2012

MR. SPEAKER: I am directed to transmit to the Senate, House Joint Resolutions Nos. 669, 671, 672, 673, 674, 675, 676, 677, 678, 680, 681 and 683; adopted, for the Senate's action.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE

February 16, 2012

MR. SPEAKER: I am directed to transmit to the Senate, House Joint Resolution No. 682, adopted, for the Senate's action.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE

February 16, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Bills Nos. 524, 2159, 2170 and 2255; substituted for House Bills on same subjects and passed by the House.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE

February 16, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolutions Nos. 575, 576, 577, 590 and 591; concurred in by the House.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE

February 16, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolution No. 601, concurred in by the House.

JOE MCCORD,
Chief Clerk.

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ENROLLED BILLS

February 16, 2012

MR. SPEAKER: Your Deputy Chief Clerk begs leave to report that we have carefully compared Senate Joint Resolutions Nos. 77 and 83, and find same correctly enrolled and ready for the signature of the Speaker.

ALAN WHITTINGTON,
Deputy Chief Clerk.

ENROLLED BILLS

February 17, 2012

MR. SPEAKER: Your Deputy Chief Clerk begs leave to report that we have carefully compared Senate Bills Nos. 465, 524, 2159, 2170 and 2255; and Senate Joint Resolutions Nos. 575, 576, 577, 590, 591 and 601; and find same correctly enrolled and ready for the signatures of the Speakers.

ALAN WHITTINGTON,
Deputy Chief Clerk.

MESSAGE FROM THE HOUSE

February 16, 2012

MR. SPEAKER: I am directed to transmit to the Senate, House Joint Resolutions Nos. 600, 638, 639, 641, 644 and 682; for the signature of the Speaker.

JOE MCCORD,
Chief Clerk.

SIGNED

February 16, 2012

The Speaker announced that he had signed the following: Senate Bills Nos. 2125, 2204, 2236, 2312, 2319, 2320, 2326, 2329, 2330, 2331, 2332, 2333, 2334 and 2336.

SIGNED

February 16, 2012

The Speaker announced that he had signed the following: Senate Resolutions Nos. 77 and 83.

SIGNED

February 16, 2012

The Speaker announced that he had signed the following: House Joint Resolutions Nos. 600, 638, 639, 641, 644 and 682.

THURSDAY, FEBRUARY 16, 2012 -- 54TH LEGISLATIVE DAY

SIGNED

February 17, 2012

The Speaker announced that he had signed the following: Senate Joint Resolutions Nos. 575, 576, 577, 590, 591 and 601.

MESSAGE FROM THE HOUSE

February 16, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Bills Nos. 2125, 2204, 2236, 2312, 2319, 2320, 2326, 2329, 2330, 2331, 2332, 2333, 2334 and 2336; signed by the Speaker.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE

February 17, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolutions Nos. 575, 576, 577, 590, 591 and 601; signed by the Speaker.

JOE MCCORD,
Chief Clerk.

REPORT OF DEPUTY CHIEF CLERK

February 16, 2012

MR. SPEAKER: Your Deputy Chief Clerk begs leave to report that we have transmitted to the Governor the following: Senate Bills Nos. 2125, 2204, 2236, 2312, 2319, 2320, 2326, 2329, 2330, 2331, 2332, 2333, 2334 and 2336; for his action.

ALAN WHITTINGTON,
Deputy Chief Clerk.

MESSAGE FROM THE GOVERNOR

February 16, 2012

MR. SPEAKER: I am directed by the Governor to return herewith: Senate Joint Resolutions Nos. 561, 570 and 574; with his approval.

HERBERT H. SLATERY III,
Counsel to the Governor.

ADJOURNMENT

Senator Norris moved the Senate adjourn until 9:00 a.m., Thursday, February 23, 2012, which motion prevailed.